



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
Third Regular Session

COMMITTEE REPORT NO. 2707

Submitted by the Committee on Labor and Employment on 16 APR 2013

Re: House Bill No. 6925

Recommending its approval in substitution of House Bill No. 4027

Sponsors: Reps. Emil L. Ong and Jesus Crispin C. Remulla

Mr. Speaker:

The Committee on Labor and Employment, to which was referred House Bill No. 4027, introduced by Rep. Jesus Crispin C. Remulla, entitled:

**"AN ACT
PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL ESTATE
SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE
CERTAIN PROVISIONS OF REPUBLIC ACT NUMBER 9646,
OTHERWISE KNOWN AS THE REAL ESTATE SERVICE ACT OF
THE PHILIPPINES"**

has considered the same and recommends that the attached House Bill No. 6925, entitled:

**"AN ACT
PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL
ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE
PURPOSE SECTIONS 2, 31 and 32 OF REPUBLIC ACT NUMBER
9646, OTHERWISE KNOWN AS THE 'REAL ESTATE SERVICE
ACT OF THE PHILIPPINES' "**

be approved in substitution of House Bill No. 4027, with Reps. Jesus Crispin C. Remulla, Romeo M. Jalosjos, Jr. and Angelo B. Palmones as authors thereof.



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

HB No. 4027
Promoting Employment in Real State Service

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emil L. Ong", is written over a horizontal line.

EMIL L. ONG
Chairman
Committee on Labor and Employment

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

FIFTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6925

Introduced by Reps. Jesus Crispin C. Remulla, Romeo M. Jalosjos, Jr. and Angelo B. Palmones

AN ACT
PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE SECTIONS 2, 31 and 32 OF REPUBLIC ACT NUMBER 9646, OTHERWISE KNOWN AS THE "REAL ESTATE SERVICE ACT OF THE PHILIPPINES"

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 2 of Republic Act No. 9646 is hereby amended to read as follows:

"Section 2. Declaration of Policy. - The State recognizes the vital role of real estate service practitioners in the social, political, economic development and progress of the country by promoting the real estate market, stimulating economic activity, **PROMOTING EMPLOYMENT OPPORTUNITIES IN THE SECTOR** and enhancing government income from real property-based transactions. Hence, it shall develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real estate industry."

SEC. 2. Section 31 of the same law is hereby amended to read as follows:

"Section 31. Supervision of Real Estate Salespersons. - For real estate salespersons, no examination shall be given, but they shall be accredited by the Board: *Provided*, That they have completed [at least two (2) years of college] **RELEVANT EDUCATION** and have undergone training and seminars in real estate brokerage as may be required by the Board. **THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) SHALL FORMULATE, IN COLLABORATION**

WITH RELEVANT INDUSTRY ASSOCIATIONS, THE TRAINING REGULATIONS (TRS) FOR REAL ESTATE SALESPERSONS.

"Real estate salespersons shall be under the direct supervision and accountability of a real estate broker. As such, they cannot by themselves be signatories to a written agreement involving a real estate transaction unless the real estate broker who has direct supervision and accountability over them is also a signatory thereto. No real estate salesperson, either directly or indirectly, can negotiate, mediate or transact any real estate transaction for and in behalf of a real estate broker without first securing an authorized accreditation as real estate salesperson for the real estate broker as prescribed by the Board. A real estate broker shall be guilty of violating this Act for employing or utilizing the services of a real estate salesperson [when he/she has not secured] **WITHOUT SECURING** the required accreditation from the Board prior to such employment.

"No salesperson shall be entitled to receive or demand a fee, commission or compensation of any kind from any person other than the duly licensed real estate broker who has direct control and supervision [over him for] **OVER** any service rendered or work done by such salesperson in any real estate transaction.

"No violation of this provision shall be a cause for revocation or suspension of the certificate of registration of the real estate broker unless there was actual knowledge of such violation or the broker retains the benefits, profits or proceeds of a transaction wrongfully negotiated by the salesperson."

SEC. 3. Section 32 of the same law is hereby amended to read as follows:

"Section 32. Corporate Practice of the Real Estate Service. –

(a) No partnership or corporation shall engage in the business of real estate service unless it is duly registered with the Securities and Exchange Commission (SEC) and the persons authorized to act for the partnership or corporation are all duly registered and licensed real estate brokers, appraisers or consultants, as the case may be. The partnership or corporation shall regularly submit a list of its real estate service practitioners to the Commission and to the SEC as part of its annual reportorial requirements. [There shall at least be one (1) licensed real estate broker for every twenty (20) accredited salespersons.]

(b) Divisions or departments of partnerships and corporations engaged in marketing or selling any real estate development project in the regular course of business must be headed by full-time registered and licensed real estate brokers.

(c) Branch offices of real estate brokers, appraisers or consultants must be manned by a duly licensed real estate broker, appraiser or consultant as the case may be.

"In case of resignation or termination from employment of a real estate service practitioner, the same shall be reported by the employer to the

Board within a period not to exceed fifteen (15) days from the date of effectivity of the resignation or termination.

"Subject to the provisions of the Labor Code, a corporation or partnership may hire the services of registered and licensed real estate brokers, appraisers or consultants on commission basis to perform real estate services and the latter shall be deemed independent contractors and not employees of such corporations."

SEC. 4. *Implementing Rules and Regulations.* - Within thirty (30) days from the effectivity of this Act, the Secretary of Labor and Employment shall issue and publish the necessary rules and regulations to implement the provisions of this Act.

SEC. 5. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SEC. 6. *Repealing Clause.* - All laws, executive orders, presidential decrees, presidential proclamations, rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. *Effectivity Clause.* - This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,

HOUSE OF REPRESENTATIVES

House Bill No. 4027

INTRODUCED BY REPRESENTATIVE JESUS CRISPIN C. REMULLA

EXPLANATORY NOTE

The rise of the real estate industry has contributed much to the growth of the Philippine economy in recent years.

In line with this development, Congress passed **Republic Act 9646** otherwise known as the **Real Estate Service Act of the Philippines**. This law makes it the policy of the State to promote the advancement in the sector by developing and nurturing through the proper and effective regulation and supervision a corps of technically competent and responsible professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the industry as a whole.

Consistent with the said policy, this bill seeks to expand the employment opportunities in the real estate business by amending certain provisions of the aforesaid law in order to accord more qualified persons the opportunity of taking part as professionals in the field of real estate.

By giving more persons access to employment opportunities, this Act aims to provide a fertile ground for employment generation in the real estate industry. It will thus encourage economic growth and provide an effective vinculum to ease and curb the rise in unemployment.

In view of the foregoing, I recommend the immediate passage of this bill.


JESUS CRISPIN C. REMULLA

HOUSE OF REPRESENTATIVES

House Bill No. 4027

INTRODUCED BY REPRESENTATIVE JESUS CRISPIN C. REMULLA

AN ACT PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF REPUBLIC ACT NUMBER 9646, OTHERWISE KNOWN AS THE REAL ESTATE SERVICE ACT OF THE PHILIPPINES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Section 2 of Republic Act No. 9646 is hereby amended to read as follows:

"Section 2. Declaration of Policy. - The State recognizes the vital role of real estate service practitioners in the social political, economic development and progress of the country by promoting the real estate market, stimulating economic activity, **PROMOTING EMPLOYMENT OPPORTUNITIES IN THE SECTOR** and enhancing government income from real property-based transactions. Hence, it shall develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real estate industry.

SEC. 2. Section 31 of the same law is hereby amended to read as follows:

"Section 31. Supervision of Real Estate Salespersons. - For real estate salespersons, no examination shall be given, but they shall be accredited by the Board: *Provided*, That they have completed **RELEVANT EDUCATION** [at least two (2) years of college] and have undergone training and seminars in real estate brokerage, as may be required by the Board. Real estate salespersons shall be under the direct supervision and accountability of a real estate broker. As such, they cannot by themselves be signatories to a written agreement

involving a real estate transaction unless the real estate broker who has direct supervision and accountability over them is also a signatory thereto. No real estate salesperson, either directly or indirectly, can negotiate, mediate or transact any real estate transaction for and in behalf of a real estate broker without first securing an authorized accreditation as real estate salesperson for the real estate broker, as prescribed by the Board. A real estate broker shall be guilty of violating this Act for employing or utilizing the services of a real estate salesperson when he/she has not secured the required

x x x"

SEC. 3. Section 32 of RA 9646 is amended to read as follows:

"Section 32. Corporate Practice of the Real Estate Service. -

(a) No partnership or corporation shall engage in the business of real estate service unless it is duly registered with the Securities and Exchange Commission (SEC), and the persons authorized to act for the partnership or corporation are all duly registered and licensed real estate brokers, appraisers or consultants, as the case may be. The partnership or corporation shall regularly submit a list of its real estate service practitioners to the Commission and to the SEC as part of its annual reportorial requirements. [There shall at least be one (1) licensed real estate broker for every twenty (20) accredited salespersons.]

(b) x x x

(c) x x x

SEC. 4. All laws, decrees, executive orders, department or memorandum orders and other administrative issuances or parts thereof which are inconsistent with the provisions of this Act are hereby modified, superseded or repealed accordingly.

SEC. 5. This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a major daily newspaper of general circulation in the Philippines.

Approved,



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

MINUTES OF THE MEETING OF THE COMMITTEE ON LABOR AND EMPLOYMENT HELD ON
14 NOVEMBER 2012, 10:15 A.M TO 3:00 P.M AT CONFERENCE ROOMS 9 & 10, MITRA BUILDING,
HOUSE OF REPRESENTATIVES, QUEZON CITY

GUESTS / RESOURCE PERSONS

Asst. Secretary Ma. Joji Aragon	Department of Labor & Employment (DOLE)
Mr. Jose Sandoval	Bureau of Local Employment, DOLE
Ms. Evelyn Dacomos	Bureau of Local Employment, DOLE
Ms. Teresita Audea	National Conciliation & Mediation Board (NCMB)
Ms. Shirley Pascual	NCMB
Atty. Cyrus Montesa	Securities and Exchange Commission (SEC)
Hon. Joel Maglunsod	Anakpawis
Mr. Ronnie Nismal	Federation of Free Workers (FFW)
Ms. Josephine Fernandez	Bankers Association of the Philippines (BAP)
Mr. Armando Montano Jr.	Arms Corporation of the Philippines
Mr. Rufino Margate Jr.	Federation of Philippine Industries (FPI)
Ms. Luna Cun Uy	FPI

I. CALL TO ORDER

Chairperson Emil Ong called the meeting to order at 10:15 a.m. Upon the motion of Rep. Angelo Palmones, the calling of the roll was dispensed with.

II. OPENING REMARKS OF THE CHAIRPERSON

The Chairperson gave a brief statement on the measures for consideration.

III. CONSIDERATION OF THE DRAFT COMMITTEE REPORT ON MEASURES SEEKING TO INCREASE THE PENALTY FOR THE NON-IMPLEMENTATION OF WAGE RATES (HB Nos. 942, 1817, 1889 & 2884)

Upon motion of Rep. Palmones, duly seconded, the Committee approved the committee report on measures seeking to increase the penalty for the non-implementation of wage rates. Rep. Palmones also moved that members present be made as co-authors.

IV. CONSIDERATION OF THE DRAFT COMMITTEE REPORT ON MEASURES SEEKING TO STRENGTHEN TRIPARTISM (HB Nos. 5864 and 5935)

Upon motion of Rep. Palmones, duly seconded by Rep. Linabelle Ruth Villarica, the Committee approved the committee report on measures seeking to strengthen tripartism. Rep. Palmones also moved that members present be made as co-authors.

V. DELIBERATION ON HB NO. 5934, MEASURE SEEKING TO STRENGTHEN CONCILIATION – MEDIATION AS A VOLUNTARY MODE OF DISPUTE SETTLEMENT FOR ALL LABOR CASES, AMENDING FOR THE PURPOSE THE LABOR CODE OF THE PHILIPPINES, AUTHORED BY REP. EMIL ONG

Upon motion of Rep. Palmones, duly seconded by Rep. Villarica, the Committee approved the bill seeking conciliation-mediation as a voluntary mode of dispute settlement for all labor cases, amending for the purpose, Art. 228 of PD 442 (Labor Code of the Philippines). Rep. Palmones moved that members present be made as co-authors.

VI. DELIBERATION ON HB Nos. 4718 & 6402, MEASURES SEEKING TO STRENGTHEN REPUBLIC ACT 8759 OR THE PUBLIC EMPLOYMENT SERVICE OFFICE (PESO), AUTHORED BY REPS. BENITEZ AND VILLARICA, RESPECTIVELY

Upon motion of Rep. Palmones, duly seconded, the Committee approved the bills seeking to strengthen RA 8759 or PESO. Rep. Palmones also moved that members present be made as co-authors.

The Committee meeting was suspended at 11:00 a.m and resumed its deliberation at 1:30 p.m with Rep. Romeo Jalosjos Jr. presiding.

VII. DELIBERATION ON HB No. 6110, MEASURE SEEKING TO AMEND SECTION 132 OF THE ~~LABOR CODE BY PROVIDING CHILDREN OF MALE EMPLOYEES ACCESS TO NURSERY BENEFITS~~, AUTHORED BY REP. BAGASINA

Upon motion of Rep. Jesus Crispin Remulla, duly seconded by Rep. Palmones, the Committee approved the bill seeking to amend Sec. 132 of the Labor Code by providing children of male employees access to nursery benefits.

VIII. DELIBERATION ON HB No. 4027, MEASURE SEEKING TO PROMOTE EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE CERTAIN PROVISIONS OF RA 9646, OTHERWISE KNOWN AS THE REAL ESTATE SERVICE ACT OF THE PHILIPPINES, AUTHORED BY REP. REMULLA

Upon motion of Rep Remulla, duly seconded by Rep. Palmones, the Committee approved the bill seeking to promote employment opportunities in real estate service in the Philippines amending certain provisions of RA 9646 (The Real Estate Service Act of the Philippines). Rep. Palmones also moved that he be made as co-author of the bill.

ADJOURNMENT

There being no other matters to discuss, the meeting adjourned at 3:15 p.m

Prepared by:

(SGD.) LOLA FEBE S. PIMENTEL
SLSO II

(SGD.) CELESTE S. DE CASTRO
Committee Secretary

(SGD.) EMIL L. ONG
Chairman

FACT SHEET

House Bill No. 4027

(As Approved by the Committee on November 14, 2012)

AN ACT

PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE IN THE PHILIPPINES, AMENDING FOR THE PURPOSE SECTIONS 2, 31 AND 32 OF REPUBLIC ACT NUMBER 9646, OTHERWISE KNOWN AS THE REAL ESTATE SERVICE ACT OF THE PHILIPPINES

Introduced by: REPS. JESUS CRISPIN C. REMULLA, ROMEO M. JALOSJOS, JR., & ANGELO B. PALMONES

Committee Referral: COMMITTEE ON LABOR AND EMPLOYMENT

Committee Chairperson: REP. EMIL L. ONG

OBJECTIVE:

- To promote employment opportunities in the real estate sector.

KEY PROVISIONS:

- Requires relevant education, instead of completion of two (2) years of college, in addition to training and seminars, for a real estate salesperson to qualify as such
- Requires the Technical Education and Skills Development Authority (TESDA) to formulate, in collaboration with relevant industry associations, the training regulations for real estate salespersons
- Removes the provision that there shall be at least one (1) licensed real estate broker for every twenty (20) accredited salespersons

RELATED LAW:

- Sections 2, 31, and 32 of R.A. 9646, otherwise known as the "Real Estate Service Act of the Philippines"